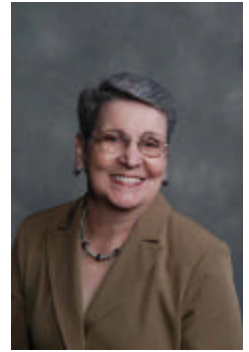


SENATOR NANCY DEMBOWSKI



Indiana Home Owner Protection Act

In response to the growing concern for the many seniors and other consumers who have been victimized by abusive and deceptive lending practices resulting in high cost loans charging unjustifiable fees and excessive interest rates, lawmakers approved **HEA 1229**. Referred to as the “Indiana Home Owner Protection Act,” this measure provides a framework for controlling these high cost loans and interest rates while helping both lenders and borrowers fully understand what types of loans are acceptable.

Abusive and deceptive practices common to predatory lending can be very harmful to consumers. Owners losing their homes has been the most severe consequence. Under the act, abusive practices are prohibited for all home loans including loan flipping, excessive late fees, prepayment penalties, charging the consumer a fee to receive a balance due

statement, and discrimination on the basis of race, color, religion, national origin, sex, marital status or age.

Abusive and deceptive practices common to predatory lending can be very harmful to consumers. Owners losing their homes has been the most severe consequence.

The bill directs the state’s Attorney General to establish a Home Owner Protection Unit to investigate deceptive practices, institute appropriate administrative and civil actions, and pursue prosecution when appropriate.

In addition, HEA 1229 establishes the Home Owner Education Program which will be responsible for identifying, promoting, assisting, and funding the education programs conducted throughout Indiana by nonprofit counseling agencies.

Revitalizing Indiana’s Economy

Small businesses, high-tech and distressed urban centers benefit from new laws

As Indiana continues to actively pursue new business and economic development through last year’s Energize Indiana initiative, new programs such as the Microenterprise Partnership Program will encourage and foster success for Hoosier entrepreneurs.

HEA 1434 creates an economic development package designed to promote and assist small business and technology-related training and industry in Indiana. Under the act, the Microenterprise Partnership Program will be created to provide funding for programs aimed at helping small businesses with 5 or fewer employees, many of which are operated by women and minorities. An estimated 2 million microentrepreneurs in America operate businesses such as furniture repair, jewelry making, day care, in-home catering, and nail care.

Also established under HEA 1434, the State Technology Advancement and Retention (STAR) Account will provide funding for programs that will advance and retain technology businesses as well as retain graduates in the technology field here in Indiana.

(CONTINUED ON PAGE 2)

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**REPRESENTING SENATE DISTRICT 5
INCLUDING PORTER, JASPER, LAPORTE,
PULASKI, MARSHALL, STARKE & ST. JOSEPH COUNTIES**

Honoring our troops

General Assembly offers prayers to the families of Hoosier soldiers

During this session, the General Assembly honored the Hoosier men and women in the United States Armed Forces, particularly those fighting the war on terrorism. **House Concurrent Resolution 35** urged Hoosiers to offer their prayers, support, and appreciation for these brave soldiers. On March 1, legislators and Governor Kernan hosted the families of many Hoosier soldiers at a State House reception and hearing of the resolution that was unanimously approved by both chambers.



The resolution paid special tribute to those who have lost their lives in Operation Iraqi Freedom and offered the deepest sympathy to their families and loved ones. It also remembered the more than 27,000 Hoosiers who paid the ultimate price during World War I and World War II, in Korea and Vietnam, in Kuwait, in the Pentagon on September 11, 2001, and in Afghanistan. The 38,000 veterans receiving disability payments in Indiana and the 732 Hoosiers still Missing in Action worldwide were also honored for their sacrifice and service.

Work continues on tax reform

Property tax issues remained a major topic of discussion throughout session, even after the passage of **SEA 1** during the mini-session that adjourned last December. We were able to make improvements to the current system, but I was disappointed that more targeted tax relief was not achieved for seniors, working families, and farmers.

As you probably know, state government only receives less than one-half of 1 percent of all property taxes collected in Indiana and this revenue is dedicated solely to a few special programs like state forestry. Property taxes are used almost exclusively for schools, fire and police protection, and other local government services. The state had previously imposed controls on local government spending, but **SEA 1** makes them more restrictive - some have estimated the savings for taxpayers at \$500 million.

SEA 296 will more than double the dollar value of property tax deductions for elderly Hoosiers, the blind or disabled, disabled veterans, World War I veterans and surviving spouses, and residential and historic property

rehabilitation. If you think you may be eligible for any of these tax breaks and are not currently receiving them, contact your county auditor. (Visit our website at www.in.gov/senate_democrats to view deduction increases and obtain auditor information.)

HEA 1005 contains provisions with an eye toward major reform of the property tax system in the near future. This new law will set up a pilot program to provide taxpayer-friendly bills to citizens, a concept referred to as "truth in tax billing." Such detailed tax bills are used in other states and break down taxes by levying unit showing comparisons with the previous year's bill. Also included is information on available deductions and credits as well as a simple explanation on how to appeal.

HEA 1005 also establishes two commissions that will study the replacement of property taxes with other revenue sources and the restructuring of local government. My hope is that recommendations will become legislative proposals, helping policymakers to take major steps to reduce the reliance of local government on property taxation soon.

REVITALIZING INDIANA'S ECONOMY (CONTINUED FROM PAGE 1)

Bringing business to Indiana's downtowns

An Enterprise Zone Study Commission was established under **HEA 1438** to study means of assisting enterprise zones in attracting businesses to downtown and disadvantaged areas. Aimed at improving the quality of life in distressed urban areas, enterprise zones were approved by the Indiana General Assembly in 1983. The 28 active enterprise zones in Indiana are comprehensive programs requiring the coordinated effort of businesses, government, and residents. The study commission will

examine these relationships and work to promote economic revitalization in distressed Indiana communities.

Promoting the high-tech sector

When Governor Joe Kernan spearheaded the drive to modernize the tax code in 2002, one of the major successes was the doubling of the Research & Development Tax Credit which helps to promote high-tech, high-wage jobs. This incentive was originally set to expire within the next ten years, but **HEA 1365** makes this credit permanent, sending a signal to businesses that Indiana is fully committed to growing a high-tech sector.

Meth in Indiana: Spreading like wildfire

Indiana Meth Task Force unites efforts to combat deadly drug

I sponsored **HEA 1136** which establishes a new task force to combat the dangerous effects of methamphetamine, a powerfully addictive drug that has become a serious problem in Indiana.

The Indiana Methamphetamine Abuse Task Force will review information concerning the harm caused by the illegal importation, production, and use of meth in Indiana. The focus of this evaluation will be to determine the extent to which meth use and manufacture affects our schools, public safety efforts, and health and social service agencies.

While this drug has largely been considered a rural threat, officials throughout the state are seeing an increase in arrests and lab investigations. The number of meth production labs seized by officials has markedly increased over recent years. State officials report that

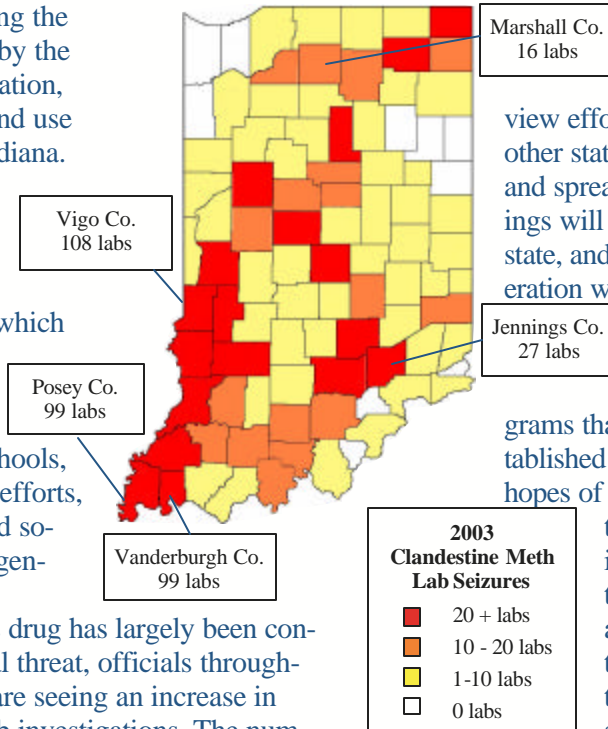
1,260 labs were seized in 2003, up from 988 the previous year. Only three labs were investigated in 1994. Cleaning up these sites requires specialized training and costs an average of \$2,000 to \$4,000 per site in funds that come out of the already strained budgets of state and

local police.

The task force will review efforts undertaken by other states to stem the use and spread of meth. Hearings will be held across the state, and special consideration will be made to recognize and study successful local programs that have been established in Indiana in hopes of finding solutions

that can be applied in other communities. Experts will also be invited to testify before the task force on issues related to

meth production and use.



Facts on methamphetamine

Who has used meth?

- Over 5% of Americans
- Over 9% of U.S. high school students

How many labs were found in Indiana?

- 1,260 in 2003
- 988 in 2002
- Nationally, more than 20% of the labs seized have children present

What are the dangers?

- Each pound of meth produced leaves behind five pounds of toxic waste.
- Toxic waste is dumped down household drains, on rural roads, in fields, and in rivers.
- Exposure to toxic fumes can cause respiratory and other ailments.

For more information on meth, visit the Indiana Criminal Justice Institute's website at <http://www.in.gov/cji/meth/>

Dembowski Initiatives Become Law

I am pleased to report that several of my initiatives have been signed into law by Governor Kernan. A few of these include:

- In reaction to the tragedy which occurred last summer at the Porter County Fair, I sponsored **HEA 1019**, which requires regulation of bull ride simulators to ensure that certain safety standards are met. Current establishments with bull ride simulators have until July 1, 2005 to obtain a Regulated Amusement Device Permit.
- **HEA 1024** will reduce the minimum building size requirement to qualify for the Industrial Recovery Tax Credit from 300,000 to 250,000 square feet. A company choosing to utilize the Walker Building in Marshall County would qualify for the tax credit. This act will be a valuable economic development tool by attracting businesses to fill local empty properties.
- I worked closely with my colleagues to include a provision in **HEA 1365** to exempt installation charges from the state sales tax. This overturns an administrative decision made by the Department of Revenue which had required that the sales tax be applied to installation charges in compliance with the National Streamlined Sales Tax Agreement.



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Full-day kindergarten push continues

Many legislators and parents disappointed by lack of support for Hoosier schoolchildren

Part of Governor Kernan's legislative agenda included the creation of the "Early Learning Trust," which provided for an expansion of optional, full-day kindergarten. The Trust is a bold commitment to early learning programs ensuring that all Hoosier children enter school ready and able to succeed.

Studies reflect that children who attend kindergarten and other early learning programs are more likely to succeed in school, achieve higher test scores, less likely to need costly special education programs, less likely to repeat grades, and more likely to graduate from high school. For every dollar spent on high-quality, early education, \$7.16 is saved in welfare, special education, and criminal justice costs.

Contained in **HB 1234** and approved by the House, the Governor's initiative would have expanded voluntary, state-funded full-day kindergarten from 6,000 to 20,000 students starting this fall and made it available statewide beginning in 2007.

However, the legislation ran into trouble in the Senate. Majority republicans stripped the bill's contents and in-

serted language calling for a summer study on the possibility of statewide, voluntary, full-day kindergarten. There was much disagreement regarding this change and House and Senate negotiators, along with representatives of the Governor's office, attempted to forge a compromise. Unfortunately, these negotiations failed during the waning hours of session.

Despite the failure of HB 1234, it has had the positive effect of raising public awareness of this issue. Additionally, Governor Kernan has established a commission to study the most effective policy direction and methods to improve the quality, coordination, delivery of and access to, early education and school readiness services, including child care (home and center-based), preschool, and family support services and programs.



Senator Dembowski works with her intern, Ginny LaRoe of Indianapolis. Dembowski's badge reads "Stop Horsin' Around, Fund Full-Day K."